

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE ENROLLED ACT No. 1459

AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 27-1-37.1 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]:

Chapter 37.1. Termination of Health Provider Contracts

Sec. 1. As used in this chapter, "health maintenance organization" means a person that undertakes to provide or arrange for the delivery of health care services to individuals on a prepaid basis, except for the individual's responsibility for copayments or deductibles. The term includes a limited service health maintenance organization. The term does not include a staff-model health maintenance organization that employs a group of providers and that requires the providers to provide health care services solely to individuals who are entitled to coverage under a contract with the staff-model health maintenance organization or an affiliate of the staff-model health maintenance organization.

Sec. 2. As used in this chapter, "health provider contract" means an agreement with a provider relating to terms and conditions of reimbursement for health care services provided to an individual under:

- (1) an employee welfare benefit plan (as defined in 29 U.S.C. 1002 et seq.);
- (2) a policy of accident and sickness insurance (as defined in



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IC 27-8-5-1);

(3) a contract with a health maintenance organization;

(4) a self-insurance program established under IC 5-10-8-7(b); or

(5) a prepaid health care delivery plan entered into under IC 5-10-8-7(c).

Sec. 3. (a) As used in this chapter, "person" means an individual, an agency, a political subdivision, a partnership, a corporation, an association, or any other entity that enters into a health provider contract with a provider.

(b) The term does not include a health care provider described in IC 16-18-2-163(a)(1), IC 16-18-2-163(a)(2), IC 16-18-2-163(a)(3), or IC 16-18-2-163(a)(4).

Sec. 4. As used in this chapter, "provider" means:

(1) a physician licensed under IC 25-22.5;

(2) a dentist licensed under IC 25-14;

(3) an advanced practice nurse licensed under IC 25-23;

(4) a chiropractor licensed under IC 25-10;

(5) a podiatrist licensed under IC 25-29;

(6) an optometrist licensed under IC 25-24; or

(7) a clinical psychologist licensed under IC 25-33.

Sec. 5. A person who enters into a health provider contract with a provider shall provide written notice to the provider of any amendment to the health provider contract not less than forty-five (45) days before the proposed effective date of the amendment.

Sec. 6. (a) Subject to subsection (b), a provider who receives notice under section 5 of this chapter may terminate the health provider contract without penalty by informing the person with whom the health care provider contracts that the provider chooses not to approve the amendment.

(b) Notice under subsection (a) must be:

(1) given not later than fifteen (15) days after the provider receives notice under section 5 of this chapter; and

(2) in writing.

Sec. 7. The termination of a contract under section 6 of this chapter is effective:

(1) ninety (90) days after the person with whom the provider contracts receives written notice from the provider that the provider does not approve the amendment; or

(2) on a date earlier than the date described in subdivision (1), if agreed to by the person with whom the provider contracts and the provider.

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Sec. 8. If a person with whom a provider contracts receives notice from a provider under section 6 of this chapter, the person with whom a provider contracts may not require the provider to comply with the proposed amendment.

Sec. 9. Except in an emergency, a provider who elects to terminate a health provider contract under this section shall, before providing services to a patient who is covered by the contract, notify the patient that the provider's contract has been or will be terminated.

Sec. 10. Except as provided in section 7(2) of this chapter, a health provider contract provision that is contrary to this chapter is void.

Sec. 11. This chapter does not apply to an amendment to a health provider contract that is required to comply with a state or federal law.

SECTION 2. IC 27-13-9-3, AS AMENDED BY P.L.133-1999, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) A health maintenance organization shall notify an enrollee in writing of the termination of:

- (1) the provider who currently provides primary health care services to that enrollee; ~~and~~
- (2) any other participating provider seen by the enrollee during the previous year; **and**
- (3) a hospital.**

(b) After the termination of the provider who provided primary health care services to an enrollee, the health maintenance organization shall assist the enrollee in transferring to another participating primary care provider.

(c) If a health maintenance organization notifies an enrollee of the termination of a hospital, the notice must include the names of all participating providers employed by the hospital.

SECTION 3. [EFFECTIVE JULY 1, 2001] **(a) IC 27-1-37.1, as added by this act, applies to a contract with a provider that is entered into, renewed, amended, or delivered after June 30, 2001.**

(b) This SECTION expires July 1, 2004.

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Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Approved: _____

Governor of the State of Indiana

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